

July 3, 2018

Merger of Two Group Companies Conducting Industrial Hose Business

~New name Sumitomo Riko Hosetex reinforces brand, accelerates business development~

Sumitomo Riko Company Limited (Headquarters: Nakamura-ku, Nagoya-shi; President & CEO: Tetsu Matsui) is pleased to announce that its hydraulic and industrial hose manufacturing and sales subsidiary SumiRiko Hosetex, Ltd. (Ayabe-shi, Kyoto) and hose assembly machining and domestic sales subsidiary SumiRiko Hose Sales, Ltd. (Komaki-shi, Aichi) merged on July 1. The new company's name is Sumitomo Riko Hosetex, Ltd. (Head Office: Ayabe-shi, Kyoto; President: Hirokazu Ninagawa). The renaming ceremony was held the next day, July 2, at Sumitomo Riko Hosetex Head Office.



Unveiling ceremony attendees: Mayor Yamazaki (2nd from right), Director General Nomura (3rd from right), Sumitomo Riko Chairperson of the Board, Nishimura (4th from right) and others

SumiRiko Hose Sales (then TRI Hose Sales) was founded in 2008 as an umbrella company for our industrial hose sales agents nationwide. It has been carrying out machining of hydraulic hose assemblies, and the purchase and domestic market sales of various industrial hoses and related products. SumiRiko Hosetex (then TRI Kyoto) was also established in 2013 with the role of mother plant in our global expansion, and in 2016 it

inherited Sumitomo Riko's industrial hose business. It has been manufacturing hydraulic hoses and industrial hoses and selling them to domestic and overseas construction machinery manufacturers.

With this merger, we are pooling our Group's management resources and thereby speeding up decision-making and optimizing our business, which will increase our profitability and strengthen the foundations of our business. Also, by integrating manufacturing and sales, we will build a system that can respond to diversifying needs. Furthermore, putting "Sumitomo Riko" at the beginning of the company's name, the first time for a domestic Group company, will give impetus to the expansion of our Japanese market share, and accelerate our business growth in China and India, where demand is rising, and global markets such as North America, Europe and ASEAN nations where we aim to make a full-scale entry in future.

At the ceremony held on July 2 at Sumitomo Riko Hosetex Head Office, about 30 people attended from Kyoto Prefectural Office, Ayabe City Office, the surrounding neighborhood, and the Sumitomo Riko Group. The ceremony opened with a speech by our company's Chairperson of the Board, Yoshiaki Nishimura, who said: "This is the first time for a manufacturing and sales company in the Sumitomo Riko Group to be adorned with the Sumitomo Riko name. We want the Sumitomo Riko brand to drive the growth of our industrial hose business worldwide." This was followed by a speech from the President of Sumitomo Riko Hosetex, Hirokazu Ninagawa, who said: "With this merger, we will dramatically improve our response capability and deliver superior products and services in the domestic market. It will also strengthen our function as mother plant, and we aim to be a company trusted more than ever before by our global customers."

In his congratulatory address, the Director General of the Chutan Area Promotion Bureau, Kenji Nomura, said: "I believe your business has continued to grow because you have stuck firmly to the Sumitomo Spirit of 'integrity and sound management' and 'no chasing easy gains'". I hope you will expand more and more here in Ayabe." The Mayor of Ayabe, Zenya Yamazaki, also gave some words: "As a local of Ayabe, I am extremely proud that a company whose name includes the global brand of Sumitomo Riko has been created here."

As a member of a corporate group that contributes to the safety, comfort and environment of people, society and the world, Sumitomo Riko Hosetex will aim for further business expansion.

Outline of Sumitomo Riko Hosetex

Company name	: Sumitomo Riko Hosetex, Ltd.
Head Office address	: Toyosaka-cho 1, Ayabe-shi, Kyoto (within Ayabe Industrial Park)
Businesses	: Manufacture and sales of hydraulic hoses and industrial hoses
Capital	: ¥3 billion (Investment ratio: 100% by Sumitomo Riko)
Founded	: December 6, 2013
President	: Hirokazu Ninagawa
Employees	: 450 (as of July 1, 2018)
Hose manufacturing base	: Kyoto
Sales/assembly bases	: Kyoto, Tokyo, Osaka, Nagoya, Sapporo, Hiroshima, Fukuoka, Sendai

About Us-----

Founded in 1929, Sumitomo Riko is a manufacturing company headquartered in Nagoya-shi, Aichi, Japan. We changed our name from Tokai Rubber Industries, Ltd. in 2014. In the field of "Automotive (Mobility)", we manufacture anti-vibration rubber parts, in which we have a leading global share, as well as rubber and resin hoses, urethane sound controlling & insulation products, and interior equipment. We are also applying the technologies we have accumulated in automobile parts development to expand our business in the fields of "Infrastructure and Housing environment", "Electronics", and "Healthcare". Utilizing our global network of 106 bases in 23 countries, we aim to be a "Global Excellent Manufacturing Company" that contributes to the safety, comfort, and environment of people worldwide.

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